

EXHIBIT 1

INTRODUCTION

Respondent Governmental Impact is a lobbying firm located in Simi Valley. Respondent Jim Dantona is a registered lobbyist and the owner of Governmental Impact. In 1999, Respondents failed to timely file two quarterly lobbying reports. The reports were eventually filed on February 1, 2001.

For purposes of this stipulation, the violations of the Political Reform Act (“Act”)¹ are as follows:

COUNT 1: Failure to timely file a lobbying firm report for the period from July 1, 1999 through September 30, 1999, in violation of Section 86117.

COUNT 2: Failure to timely file a lobbying firm report for the period from October 1, 1999 through December 31, 1999, in violation of Section 86117.

RESPONDENTS: Governmental Impact and Jim Dantona

SUMMARY OF THE LAW

The Act requires registration and reporting by individuals and entities that make or receive payments for the purpose of influencing decisions of the State Legislature and state administrative agencies under the lobbying provisions contained in Sections 86100 through 86300.

Pursuant to Section 82039, a “lobbyist” is an individual who receives \$2,000 or more in economic consideration in a calendar month, other than reimbursement for reasonable travel expenses, or whose principal duties as an employee are to communicate directly or through his or her agents with any elective state official, agency official, or legislative official for the purpose of influencing legislative or administrative action.

Section 82038.5 defines a “lobbying firm” as a business entity that is compensated and communicates directly with legislative or state agency officials to influence legislative or administrative action on behalf of any client and any partner, owner, officer, or employee of the business entity is a lobbyist.

Each lobbyist must complete a Lobbyist Report, Form 615, for each calendar quarter, regardless of the lobbyist’s activity, and whether or not the lobbyist has received or made any payments during the calendar quarter. (Section 86113.) A lobbying firm is required to file a Report of Lobbying Firm, Form 625, for each calendar quarter whether or not the lobbying firm has received or made any payments during the calendar quarter. The lobbying firm must attach to its Form 625, a Lobbyist Report, Form 615, completed for each partner, owner, officer, or employee of the lobbying firm who qualifies as a

¹ The Political Reform Act (“Act”) is contained in Government Code sections 81000 through 91014. All references to “Section(s)” are to the aforementioned Government Code unless otherwise indicated. Commission regulations appear at Title 2, California Code of Regulations, section 18109, *et seq.*

lobbyist. (Section 86114.) Pursuant to Section 86117, the lobbying firm report must be filed during the month following the end of each calendar quarter.

SUMMARY OF THE EVIDENCE

On July 10, 2000, the Secretary of State's office (SOS) referred Respondents Governmental Impact and Jim Dantona to the Commission's Enforcement Division for their failure to file two quarterly lobbying reports. The reports were for the periods from July 1, 1999 through September 30, 1999, and from October 1, 1999 through December 31, 1999.

SOS sent several letters to the respondents in an effort to have them file the quarterly reports prior to the referral. Governmental Impact is required to file a Form 625 disclosing payments received from and made on behalf of its lobbying clients. Jim Dantona is required to file a lobbyist report, Form 615, disclosing his lobbying activity expenses and campaign contributions he makes in a given quarter.

On November 6, 2000, Commission staff spoke with Respondent Dantona on the phone about the delinquent filings. Mr. Dantona admitted receiving the SOS notices, but stated that he thought he had filed the reports. He agreed to contact SOS and refile the reports if necessary.

On April 27, 2001, Commission staff contacted Mr. Dantona about the lobbying reports. Mr. Dantona stated that he had been working with SOS on the non-filings and hired a consultant in Sacramento to assist him. Mr. Dantona stated that he believed that he filed the reports on time, but refiled them on February 1, 2001 after his consultant's meetings with SOS. His delay in filing was partially based on his belief that the reports were already filed. He also relocated his office during this time and copies of the reports at issue were located offsite in a storage facility.

The lobbying firm reports for the periods from July 1, 1999 through September 30, 1999 and October 1, 1999 through December 31, 1999, were filed on February 1, 2001. The third quarter report disclosed lobbying activity totaling \$60,506.36 and was signed by Mr. Dantona on October 30, 1999. Mr. Dantona's Form 615 report was attached and disclosed no activity. The fourth quarter report disclosed that no lobbying payments were made or received during that quarter. Mr. Dantona's Form 615 report likewise disclosed no activity for that quarter. The latter two reports were signed on December 31, 1999.

CONCLUSION

Based on the foregoing, Respondents should have filed the 1999 third and fourth quarter lobbying reports by October 31, 1999 and January 31, 2000, respectively. Respondents violated the Act by failing to timely file these reports. Respondents received several letters from SOS regarding the non-filing, but did not file the reports until February 1, 2001. Respondent Dantona mistakenly believed that the reports at issue had already been filed.

This matter consists of two counts which carry a maximum possible administrative fine of Four Thousand dollars (\$4,000.00). The facts of this case, including the mitigating and aggravating factors discussed above, justify imposition of the agreed upon fine of Two Thousand dollars (\$2,000.00).